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MANAGEMENT ADVISORY #11-013a

DATE: May 24, 2011

TO: Agency Personnel Officers and Benefit Coordinators

FROM: Suzetta Furlong, Manager

SUBJECT: Agency Procedures for Premium Refund Requests

I. Background

As defined in Chapter 60P, Florida Administrative Code, whenever an agency becomes aware of a total premium payment that is more than the amount required for the type of coverage selected, the agency shall take appropriate action to request a refund for the overpayment of premiums and to correct the contributions for any subsequent periods.

Agencies must submit written premium overpayment refund requests to the People First Service Center to initiate disbursement of employee and employer overpayments and to receive the overpaid amount.

II. Revised Premium Refund Forms and Process

To improve the administration of premium refund requests, DSGI and the People First Service Center are implementing changes to streamline refund functions, minimize risks, and improve data recording and tracking of premium disbursement transactions.

The refund request forms have been revised so you can easily indicate why a refund is being requested. We added predefined refund reason selection boxes to the form and space for you to include information to support the refund. Additionally, you may be required to supply documentation or an explanation that supports the refund request.

Effective June 1, 2011, People First will only process refunds submitted if the agency:

- ✓ Uses the [revised forms](#). Refunds submitted on older or altered versions of the request forms will be returned.
 - ✓ Completes each section of the form in full.
 - ✓ Provides the appropriate supporting documentation or explanation as required.
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Please begin using these forms June 1, 2011:

- ✓ [Health, Life and Disability Premium Refund Request Form](#)
- ✓ [Supplemental Premium Refund Request Form](#)
- ✓ [Flexible Spending Account/Health Savings Account Contribution Refund Request Form](#)
- ✓ [Request to Move Premiums](#)

Continue to fax refund requests to People First Fiscal Administration at (800) 422-3128 or mail to People First Service Center, PO Box 6830, Tallahassee, FL 32314. Fax coversheets are not required when transmitting refund requests.

III. Instructions for Completing Refund Request Forms

The fields listed below are **required** and must be completed. People First will return incomplete refund forms or requests submitted on older or altered versions of the form. Below are instructions for completing the required fields; instructions are also on the back of the forms. **Begin using the [revised forms](#) June 1, 2011.**

A. Employee Data

1. *People First Employee ID* – employee ID number assigned in the People First system
2. *SSN* – employee Social Security Number
3. *Last Name* – employee last name
4. *First Name* – employee first name
5. *MI* – first letter of employee's middle name
6. *FAC* – FLAIR Account Code; only required when refunding employer contributions.

B. Reason for Refund

1. Place a check mark in the appropriate box on the form to indicate the reason for the refund request; some examples are listed below:
 - *Change in Employment Status* – select this reason if a change in employment status results in a premium overpayment; provide a written explanation of the employment status change.
 - *Qualifying Status Change (QSC)* – select this reason if a change in enrollment due to a QSC event caused the overpayment; circle the type of QSC event (i.e. Divorce, Marriage, Death). Indicate the *QSC Coverage Change* by selecting Cancel if the benefit was cancelled or Decrease if the coverage changed from family to individual.
 - *Appeal/Arbitration/Agency Error* – select this reason when the refund is due to an approved appeal, arbitration or other legal resolution, or agency error. Submit a copy of the approved appeal, arbitration or other legal document, or agency error letter supporting the refund to People First, along with the completed refund request form.

- *Other, Explain* – select this reason when the predefined refund reasons do not reflect the cause of the overpayment, such as On Demand deduction errors. Provide a written explanation of what caused the overpayment.
- *Effective Date* – provide the effective date of event corresponding to the Refund Reason selected. For example, if the reason selected is “Change in Employment Status,” enter the date the change was effective.

C. Refund Amount

1. *Plan Type* – for Health, Life, Disability, or Reimbursement Account refunds, place a check mark in the appropriate box to indicate the benefit type to be refunded; only submit one refund form per benefit type. For Supplemental Premium Refund forms, enter the Benefit Plan Code found in People First for the benefit to be refunded.
2. *Pretax/Post-Tax* – for Health, Life, Disability, and Supplement refunds, place a check mark in the appropriate box to indicate if the deduction was taken pretax or post-tax.
3. *Warrant Dates* – list the Payroll Date the premium being refunded was originally deducted.
4. *Refund Amount Request* – enter the amount of the premium overpayment refund requested for both employee and employer contributions, if applicable.
5. *Coverage Period* – enter the coverage period of the premium being refunded.
6. *Refunds Exceeding Two Coverage Periods* – if the refund request exceeds two consecutive coverage periods, select the reason for the delayed refund. If the reasons listed do not apply, check Other and provide a written explanation.

D. Agency Certification

1. *Name* – print name of agency personnel completing refund request form.
2. *Agency* – provide name of agency submitting refund request.
3. *Email Address and Phone* – provide the email address, phone number of the agency personnel submitting refund request.
4. *Date* – enter the date you submit the refund request form to People First.
5. *Agency Signature* – the authorized agency personnel must sign the form certifying that the refund request is complete and accurate.

IV. Tax-favored Accounts

Payroll deducted employee contributions for flexible spending and health savings accounts are applied to employee accounts the month in which the deduction is taken, unlike health premiums, which are payroll deducted the month before the coverage period.

Changes to tax-favored accounts due to approved QSC events are generally effective the first day of the month following the event. If the approved event allows for a decrease to the

annual election amount, the new election amount may only be reduced to the amount that has been payroll deducted and contributed to the account as of the first of the month following the QSC event.

Due to the rules governing tax-favored accounts, refunds for pretax payroll deducted employee contributions are generally limited to approved appeals, arbitration and other legal determinations. A copy of the approved appeal letter, arbitration or other legal order must be submitted with the refund request.

If you have questions or need assistance, please call the People First Service Center at (866) 663-4735.